

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
HAWAIIAN ELECTRIC COMPANY, INC.)
For Approval of (1) the Commitment)
of Funds in Excess of \$2,500,000)
for the Purchase and Installation)
of the RO Water Pipeline Project)
and the Environmental Monitoring)
Project, (2) a Rate Reduction)
Program, (3) Accounting and)
Ratemaking Treatment of the RO)
Water Pipeline Project and)
Environmental Monitoring Project,)
all as Part of Y-49000, Campbell)
Industrial Park Generating Station)
and Transmission Additions Project.)
_____)

Docket No. 05-0146

Order No. 22048

ORDER

By this Order, the commission approves HAWAIIAN ELECTRIC COMPANY, INC.'s ("HECO") waiver of the 90-day Review Period established by Paragraph 2.3.g.2 of General Order No. 7, *Standards for Electric Utility Service in the State of Hawaii* ("General Order No. 7").

I.

Background

By an application filed on June 17, 2005,¹ HECO requests, among other things, commission approval of the

¹Application, Exhibits A through F, Verification, and Certificate of Service, filed on June 17, 2005 (collectively, the "Application").

commitment of funds in excess of \$2,500,000 for: (1) the purchase, installation, and subsequent dedication to the Board of Water Supply of the City and County of Honolulu of a water pipeline from Campbell Industrial Park to Kahe Power Plant and related facilities; and (2) the purchase and installation of equipment needed for environmental monitoring programs ("Proposed Project"), in accordance with Paragraph 2.3.g.2 of the commission's General Order No. 7. HECO served copies of the Application on the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs ("Consumer Advocate") (collectively, the "Parties").

II.

A.

90-day Review Period

Paragraph 2.3.g.2 of General Order No. 7 provides that if the commission does not act on an electric utility's capital expenditure application and render a decision and order within ninety (90) days of filing ("90-day Review Period"), the utility will be allowed "to include the project in its rate base without the determination by the [c]ommission required by this rule." For this docket, HECO identifies the 90-day Review Period as "on or about September 15, 2005."²

²HECO's Memorandum in Response to the Division of Consumer Advocacy's Preliminary Statement of Position and Certificate of Service, filed on July 26, 2005 ("HECO's Response").

B.

HECO's Waiver of the 90-Day Review Period

On July 7, 2005, the Consumer Advocate filed its preliminary statement of position stating that it intends to participate in the instant proceeding. In addition, the Consumer Advocate requests that: (1) the commission establish an extended procedural schedule to commence after the filing of HECO's third Integrated Resource Plan ("IRP-3");³ and (2) the Application be suspended and consolidated with Docket No. 05-0145 to allow the Consumer Advocate and the commission adequate time to review HECO's request in Docket No. 05-0146 in conjunction with its request in Docket No. 05-0145.⁴

HECO, in response, recommends the commission: (1) deny the Consumer Advocate's request to suspend this docket; (2) deny the Consumer Advocate's request to establish a procedural schedule that starts after HECO's IRP-3 filing; and (3) deny any request to consolidate this docket with Docket No. 05-0145.⁵

Nonetheless, "[w]hile HECO objects to the general suspension of this docket, HECO does not object to a suspension of the 90-day requirement of Rule 2.3.g.2[,] General Order

³Presently, the deadline for HECO to file its IRP-3 is October 31, 2005.

⁴Consumer Advocate's Preliminary Statement of Position and Certificate of Service, filed on July 7, 2005, at 2. HECO's capital expenditure application in Docket No. 05-0145, filed on the same day as its Application in Docket No. 05-0146, requests the commission's approval to commit approximately \$134,310,260 for Item Y-49000, Campbell Industrial Generating Station and Transmission Additions Project.

⁵HECO's Response at 9.

No. 7."⁶ HECO states that while it "seeks to have this docket expedited and determined as quickly as possible, HECO is also cognizant that it would be impractical to complete the docket within the 90-day [R]eview [P]eriod and thus, HECO does not object to the suspension of the 90-day [R]eview [P]eriod in order to determine the issues, procedures and schedule of proceeding, provided that the suspension of the 90-day [R]eview [P]eriod does not unduly delay this proceeding."⁷

We will treat HECO's statement that it does not object to the suspension of the 90-day Review Period as a waiver thereof. Accordingly, the commission approves HECO's waiver of the 90-day Review Period as contained in its Response, in order to thoroughly review the Proposed Project in the context of HECO's forthcoming IRP-3 filing, due by October 31, 2005.

Consistent with the basis of HECO's waiver, the commission will instruct the Parties to file a stipulated prehearing order for the commission's review and consideration, that identifies the issues, procedures, and schedule for this proceeding, within thirty (30) days following the filing of HECO's IRP-3. Such action will promote the just and speedy determination of this proceeding, and avoid the potential for any undue delay.⁸ HAR § 6-61-1.

⁶*Id.* at 8.

⁷*Id.* at 8-9.

⁸The deadline for any interested person to file a motion to intervene or participate in this docket was July 7, 2005, pursuant to Hawaii Administrative Rules ("HAR") § 6-61-57(3)(A). No persons moved to intervene or participate.

III.

Orders

THE COMMISSION ORDERS:

1. HECO's waiver of the 90-day Review Period established pursuant to Paragraph 2.3.g.2 of General Order No. 7, is approved.

2. HECO's Application, filed on June 17, 2005, is effectively tolled until the filing of the Parties' stipulated prehearing order and the commission's review and approval thereto, consistent with Ordering Paragraph No. 3, below.

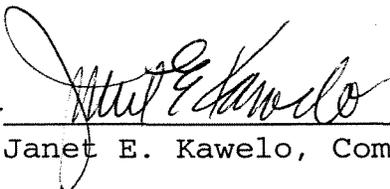
3. Within thirty (30) days following the filing of HECO's IRP-3, the Parties shall submit to the commission a stipulated prehearing order, incorporating their agreed-upon issues, procedures, and schedule with respect to this proceeding. If they are unable to stipulate to such a schedule, each Party shall submit a proposed prehearing order for the commission's review and consideration by the same date. Further commission action will follow.

DONE at Honolulu, Hawaii SEP 23 2005.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

By 
Carlito P. Caliboso, Chairman

By (EXCUSED)
Wayne H. Kimura, Commissioner

By 
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:


Catherine P. Awakuni
Commission Counsel

05-0146.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 22048 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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